



Minutes City Council's Housing Committee April 20, 2010

Minutes of the meeting of the City Council's Housing Committee held on Tuesday, April 20, 2010, 3:00 p.m., in the 3rd Floor Conference Room, Tempe City Hall, 31 E. 5th Street, Tempe, Arizona.

Committee Members Present:

Councilmember Corey Woods, Chair
Vice Mayor Shana Ellis

City Staff Present:

Jaclyn Levin, City Clerk Intern
Larry Schmalz, Comm Dev
Craig Hittie, Comm Dev
Shauna Warner, Neighborhoods
Amber Wakeman, Comm Rel

Chris Salomone, Comm Dev
Carlos de Leon, Transit
Liz Chavez, Housing
JymeSue McLaren, Comm Dev
Alex Smith, Comm Dev

Guests Present:

Todd Marshall, HTFAB
Jayson Matthews, Tempe Community Council

Councilmember Woods called the meeting to order at 3:05 p.m.

Agenda Item 1 – Public Appearances

None.

Agenda Item 2 – Housing Trust Fund Advisory Board (HTFAB) Update

Todd Marshall gave a brief overview of goal setting and opportunities to educate the community and Council on housing trust funds. The HTFAB will be recommending funding priorities to the City Council in the near future. The housing trust fund is almost a year old now and because of the economy, it has not established a significant presence in the community yet. The board does not feel it is appropriate to compete for existing housing grants, and instead would prefer to try and find new funding sources. Todd asked the board to be patient during this time and welcomed input and participation from interested stakeholders. The only way to see an immediate impact is to attack other people/non-profit organizations by competing for grants, which the board does not feel is the right thing to do. In the meantime, HTFAB continues to work on their goals and execution strategies as funding sources are sought out.

With the economic downturn, Councilmember Woods stated that the focus of the housing committee has changed from how to get people into housing to how to we keep people in their current house. Councilmember Woods added that he appreciates that fact that the board is not trying to be competitive and commended Mr. Marshall on his leadership skills.

Agenda Item 3 – Special Housing Committee Meeting/Property Tour Update

JymeSue thanked Committee members for participating in an informative tour of various housing options in Tempe. There are annual funds available from the Community Block Grant Funding (CDBG) for housing programs of this nature. More recently, economic stimulus funding has become available for housing resources. Staff is looking for direction on 1) how do we become more strategic in investments; 2) how do we define where the housing opportunities are; 3) how do we prioritize those housing options; 4) create selection criteria based on priorities identified by Mayor and Council.

The tour focused on neighborhoods with high concentrations of rental properties in single family neighborhoods, neighborhoods with low concentration of rentals, neighborhoods with significantly high code compliance issues, and neighborhoods where redevelopment projects are occurring. The question now is to figure out a strategic plan for investment in various housing options.

Craig Hittie talked about various housing program categories:

- Ownership
 - Work force housing
 - Moderate income
- Permanent affordable family rental – low moderate income
- Transitional housing – low moderate income
 - Homeless families with children
 - Domestic violence families with children
- Special needs housing
- Permanently supportive housing
 - Chronic homeless

Councilmember Woods asked staff where the areas are that are lacking supportive housing options in Tempe. Mr. Hittie stated that it depends on who you ask and where their priorities/passions lie. However, Mr. Hittie commented that there is a significant need for additional Section 8 housing, along with the permanently affordable housing. Workforce affordable housing is also lacking. Councilmember Woods stated that his two preferences would be to focus more on work force housing and transitional housing; however he wants to make sure that is based on community need versus his personal interests.

Vice Mayor Ellis voiced her preference to obtain more information on this topic before making a decision on prioritizing housing needs.

JymeSue stated that until criteria for housing needs has been identified it will be difficult to determine what the appropriate level of housing for each category is. The same applies for site selection of housing opportunities. Staff is seeking council direction on whether or not the list noted above is comprehensive enough or if there are some categories that should not be included on that list.

Jason Matthews stated that housing needs and preferences vary depending upon who is asked the question. The economic climate also changes views on housing priorities.

Councilmember Woods agreed that he was not comfortable taking any options off the list without having more information.

Craig Hittie stated that he will bring housing needs data for the categories noted above to the next committee meeting.

JymeSue continued with the presentation about target areas needed for redevelopment. Over the past decade, the priority housing investment areas in Tempe have been Apache Boulevard redevelopment area and East Rio neighborhood. Staff is now shifting the focus to the Broadway Road corridor and Mill Avenue corridor for a potential streetcar project. Another consideration when selecting areas of focus is whether or not they meet the CDBG eligible funding criteria.

Based upon the recent tour of neighborhoods and looking at the opportunities that the City might have to obtain some additional parcels of land, Vice Mayor Ellis agreed that north of the US 60 Highway is where the area of focus is most in need.

Councilmember Woods agreed that rental properties north of the US 60 are not being taken care of properly based on feedback from residents.

Shauna Warner added that the focus should also include the first two streets north and south of the US 60. There are several rental properties on Manhattan and Riviera that have a lot of core blight issues.

JymeSue stated that she will prepare a map of areas where there is a high concentration of rental properties and will come back to the next meeting with some suggestions for those areas.

Staff is also seeking feedback for the following housing area selection criteria:

- 1) Redevelopment potential – infill opportunities, low land values, assemblage potential
- 2) Slum and blighted properties – substantial housing stock
- 3) Socioeconomic conditions
- 4) Access to transit/transit dependent populations

Other factors that will play a significant role in the City's ability to secure affordable housing locations will be developer interests, state and federal funding, neighborhoods with high percentages of rental properties. When looking at specific sites that should be targeted, a higher priority will go to vacant land, assemblage potential and unoccupied dwellings in good condition.

Because of the vast scope of this project, Craig Hittie pointed out that partnership opportunities with Chicanos Por La Causa, Newtown, CDC, Save the Family ARM (Affordable Rental Movement), and Habitat for Humanity will enhance the City's ability to leverage resources.

Councilmember Woods asked how much money is being talked about and should Council focus on one big area, or many small areas?

Craig Hittie explained that there is approximately \$1 million of CDGB funds for straight acquisition projects. In addition there are other programs that are well funded, such as the Emergency Repair Program which is a \$10,000 grant for homeowners that can be layered on top of the CDBG funding options. There is also a Home Program that provides full rehabilitation assistance to homeowners that can also be tied into an acquisition project.

Staff is in preliminary discussions with City of Phoenix officials to seek NSP II funding. Tempe is eligible for up to \$6 million of those dollars. Their only concern right now is that their initial application set aside these funds for multi-family foreclosed properties. Tempe staff has indicated desire to use a single family model for these funds. This is not going to be a competitive process since other cities are not taking advantage of this opportunity. Staff has indicated a desire to secure between 5 and 20 properties with these funds and hopes to hear back from Phoenix by the end of the week.

Mr. Hittie stated that he is also working with the Industrial Development Authority to see if this program is eligible to use multi family bonds for single family households.

JymeSue stated that staff will report back at the next meeting with an update on non-profits partnerships and additional funding opportunities

Agenda Item 4 – HPRP Supportive Housing Implementation Update

Liz Chavez stated that 128 applications have been received for this program that has 35 available housing units. Seven applicants have been housed; five more are in the process of looking for housing. Fifteen more individuals are in the process of being notified of their eligibility for this housing program. A Selection Committee comprised of representatives from Tempe-based homeless service providers determines the preference points needed to be in this program including making sure candidates are assessed as likely to succeed in supportive housing.

Valley of the Sun United Way has selected Urban Outreach to provide supportive services to program participants who are not living with serious mental illness. They will be assisting with tenant move in assistance, furniture and household item donations. Tumbleweed has moved three tenants into the housing units they are operating with the funds allocated to them; their tenants are a minimum of eighteen years old. Grant requests have also been written to the Gila River tribe asking for bus cards, laundry cards, and other household items. Staff continues to apply for additional grant funding as it becomes available.

In anticipation of federal funding being depleted or running out, staff is working on getting program participants housing vouchers for permanent housing at the end of the 18 month program cycle. The City also offers a housing choice voucher program as another housing opportunity for these individuals.

Councilmember Woods asked if United Way was also looking at funding alternatives when the federal funding for this program ends. Liz Chavez said yes, staff continues to collaborate with United Way on funding alternatives. HUD officials are watching this pilot program closely to ensure that there is transparency in the process.

Councilmember Woods asked if it was known how many of the 128 applicants were homeless in Tempe and not imported from another city. Craig Hittie answered by saying that there is a strong preference given to those who are already working with Tempe-based homeless service providers. Vice Mayor Ellis stated that program clients are based mainly on referrals from outreach administrators. They look for individuals they know have been on Tempe streets for a while and already have some sort of a case open.

Agenda Item 5 – National Association of Housing and Revitalization Officials (NAHRO) Legislative update

During a recent legislative conference in Washington, D.C., Liz Chavez stated that NAHRO's priorities closely mirrored what has been identified as being needed at the state level. One of the main priorities of the state was to preserve Arizona's investment in public housing, even though Tempe does not have public housing. The state is asking HUD to transform the current regulations so that it becomes more sustainable at a local level, versus federal level. This would hopefully alleviate the stigma of public housing and to operate very similarly to a housing choice voucher program.

Tempe has also worked to:

- promote reasonable and flexible housing oversight – currently federal funding comes with cumbersome administrative burdens
- strengthen and simplify the Housing Choice Voucher (HCV) rental assistance programs
- maintain HUD's role as the leading federal partner for community and economic development to fully restore funding for the community development block grant program versus entitlement based funding that relies on census formulas
- discontinue burdensome restrictions on the responsible use of eminent domain for community revitalization
- provide incremental funding to facilitate transit oriented planning and development
- expand affordable housing opportunities
- support/preserve tax credits
- address the unique needs of smaller agencies and rural communities

- incentivize green building and energy efficiency

Agenda Item 6 – NAHRO Regional Conference Update

Liz Chavez reported that HUD Assistant Secretary, Sandra Henriquez is attending the upcoming regional conference as a key note speaker. The other keynote speaker for the conference is Julio Beretta, who works in D.C. directly with HUD. Ms. Chavez invited committee members to Councilmember Woods and Vice Mayor Ellis to attend the conference at no charge.

Vice Mayor Ellis has won a regional Award of Excellence for her support in housing for the homeless and community development. That award will be presented to Vice Mayor Ellis at a reception on Sunday, May 2, 2010 at 5:00 p.m.

Agenda Item 7 – Future Agenda Items

- Housing Trust Fund Authority Update
- Supportive Housing Update
- Housing Needs Data – organized by funding source

Agenda Item 8 – Future Meeting Dates

May 18, 2010, 3:00 p.m.

Agenda Item 9 – Announcements

None

Meeting adjourned at 4:09 p.m.

Prepared by: Jaclyn Levin
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Jan Hort
City Clerk